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*SAPC. 14532*  
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*2 - Contractor*  
*3 - [redacted]*  
*4 - 5 - [redacted]*  
*6 - Chrono*

**Contract No. BC-450**  
**Amendment No. 2**

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*12 APR 1957*

**Hycon Mfg. Company**  
**2961 Colorado Street**  
**Pasadena 8, California**

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DATE: 22/6/81 REVIEWER: C64540

**Gentlemen:**

1. Reference is made to Contract No. BC-450 and Amendment No. 1, thereto, between the United States of America and Hycon Mfg. Company, effective for the period 1 July 1956 through 30 June 1957.

2. It has been determined necessary to amend the contract to clarify and express the intent of the contracting parties as to allowance of certain indirect costs on materials and services procured and furnished by the Contractor in the performance of the contract work.

3. Therefore, Contract No. BC-450, as amended, is hereby further amended by adding the following clause to Appendix I of the Schedule:

**INDIRECT COST OF MATERIAL OR SERVICES**

a. A Material Burden Rate of [redacted] of Materials or Services Cost and a General and Administrative Expense Rate of [redacted] of Materials or Services Cost, inclusive of Material Burden, shall be used provisionally for billing purposes only, from inception of this contract until negotiation of final Material Burden and General and Administrative Expense Rates.

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b. As soon as possible after 31 January 1957, the Contractor shall submit to the Contracting Officer a proposed final Material Burden Rate and General and Administrative Expense Rate for the period from inception of the contract to 31 January 1957 based on cost experience during that period. Negotiation of the final rates by the

Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal. The results of the negotiation shall be set forth in an amendment to this contract, which shall specify (i) the agreed final rates and (ii) the period for which the rates apply. This procedure for determining final rates, after the fact, shall also apply for each period subsequent to 31 January 1957, during the term of this contract.

c. Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as provided in the Schedule or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established.

d. Any failure by the parties to agree on any final rate or rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the clause of this contract entitled "Disputes."

4. The amount of funds allotted to this contract, as amended, in PART IV- CONSIDERATION AND PAYMENTS of the contract schedule is not changed by reason of this Amendment No. 2.

5. All other terms and conditions of Contract No. BC-450, as amended shall remain the same.

6. Please indicate your receipt and acceptance of this Amendment by executing the original and two copies thereof. Return the fully executed original and one copy thereof to the undersigned and retain the remaining copy for your files.

Yours very truly,

THE UNITED STATES OF AMERICA

By,

Contracting Officer

ACKNOWLEDGED AND ACCEPTED  
THIS 25 DAY OF April, 1957  
HYCON MFG. COMPANY

BY

TITLE

Vice President

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